

Message Text

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DEPARTMENT PLEASE PASS DEPARTMENT OF
AGRICULTURE

E.O. 11652: GDS

TAGS: EAGR EG

SUBJECT: REPORT OF SECRETARY OF AGRICULTURE BUTZ VISIT TO
EGYPT

1. SECRETARY OF AGRICULTURE EARL L. BUTZ VISITED CAIRO FROM NOVEMBER 9 TO NOVEMBER 11 FOR THE PURPOSE OF REVIEWING EGYPTIAN AGRICULTURE AND POSSIBILITIES FOR AMERICAN COOPERATION IN AGRICULTURE IN EGYPT AND TO SIGN THE SECOND QUARTER PL 480 TITLE I WHEAT AMENDMENT. DURING HIS VISIT SECRETARY BUTZ MET WITH THE PRESIDENT, THE PRIME MINISTER, THE ACTING MINISTER OF AGRICULTURE, THE MINISTER OF FOREIGN TRADE AND THE MINISTER OF IRRIGATION. SECRETARY BUTZ WAS ACCOMPANIED BY FOREIGN AGRICULTURAL SERVICE ADMINISTRATOR DAVID HUME AND ECONOMIC RESEARCH SERVICE ADMINISTRATOR QUNITON WEST. DURING THESE VARIOUS MEETINGS HE STRESSED THE WILLINGNESS OF THE USG, THROUGH THE DEPT OF AGRICULTURE, TO COOPERATE WITH EGYPT, POINTING OUT THE VARIOUS PRACTICAL LIMITATIONS IMPOSED ON THIS EFFORT, ESPECIALLY PL 480 ASSISTANCE, BY THE TIGHT SUPPLY SITUATION IN THE US. IN ADDITION TO BRIEFINGS ON THE STATE OF AGRICULTURE IN EGYPT, AND AN EXPLANATION OF THE TIGHT FOOD SUPPLY SITUATION WHICH FACES THE EGYPTIAN ECONOMY IN THE NEXT 8 TO 12 MONTHS, SECRETARY BUTZ WAS TAKEN ON A STEAMER RIDE
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DOWN THE NILE TO THE BARRAGES BY THE MINISTER OF IRRIGATION.

2. ON MORNING OF NOVEMBER 10, SECRETARY BUTZ MET WITH PRIMIN HEGAZY FOR ABOUT AN HOUR. DISCUSSION CENTERED ON EGYPT'S LAND AND WATER UTILIZATION. PRIMIN STATED EGYPT HAS WATER RESOURCES WHICH WOULD PERMIT IRRIGATION OF AN ADDITIONAL MILLION ACRES IF PROPERLY UTILIZED. SECRETARY BUTZ NOTED AGRICULTURAL TECHNICAL TEAM EXPECTED ARRIVE SHORTLY TO PROVIDE TECHNICAL ASSISTANCE FOR HYDROLOGICAL SURVEY. PRIMIN WELCOMED ANY US TECHNICAL ASSISTANCE IN AGRICULTURE. HE ALSO NOTED SOME PROBLEMS HAVE ARISEN WITH FMC BECAUSE OF HIGH MANAGEMENT COSTS DEMANDED BY THE COMPANY AND WHICH GOE UNWILLING TO PAY FOR LIMITED EXPERIMENTAL AREA INVOLVED. SECRETARY BUTZ NOTED IMPORTANCE OF GIVING FARMERS NEEDED INCENTIVES TO PRODUCE. PRIMIN FULLY AGREED. HE SPOKE OF HIS DESIRE TO HAVE AGRICULTURAL COOPERATIVES MORE PRODUCTION THAN SERVICE-ORIENTED AS IS NOW THE CASE.

3. WITH MINISTER OF FOREIGN TRADE MATBOULI, SECRETARY BUTZ EXPLAINED THE CLIMATIC TROUBLES WHICH HAD PLAGUED US FARMS DURING THE SPRING AND SUMMER AND WHICH HAD CAUSED LESS THAN EXPECTED CROP YIELDS. HE REITERATED, HOWEVER, THE COMMITMENT OF THE DEPARTMENT OF AGRICULTURE TO FURTHERING THE NEW COOPERATION BETWEEN EGYPT AND THE US. TURNING TO PL 480 ASSISTANCE, MATBOULI NOTED THAT THE NEW DEPT OF AGRICULTURE REQUIREMENT FOR PURCHASE AUTHORIZATIONS NOT EXCEEDING 50,000 TONS OF GRAIN WILL PLACE HARDSHIP ON THE EGYPTIAN AUTHORITIES RESPONSIBLE FOR CARRYING OUT PL 480 AGREEMENT ON WHEAT. MATBOULI ASKED IF EGYPT COULD NOT BE EXEMPTED FROM THE REQUIREMENT TO PURCHASE IN 50,000 TON LOTS. SECRETARY BUTZ UNDERTOOK TO LOOK INTO THIS MATTER.

4. IN HIS MEETING WITH ACTING MINAG BEDRAN, SECRETARY WAS INFORMED OF THE GENERAL STATE OF EGYPTIAN AGRICULTURE INCLUDING THE DESPERATE NEED FOR ASSISTANCE WITH WATER TABLE AND SALINITY PROBLEMS AS A RESULT OF NEW IRRIGATION PRACTICES AFTER THE HIGH DAM WAS COMPLETED. THE SECRETARY INFORMED THEM OF THE ARRIVAL OF THE WATER RESOURCES SURVEY TEAM ON NOVEMBER 13 AND SAID THE HE HOPED THAT THIS WOULD BE THE FIRST IN A SERIES OF SUCH VISITS TO ASSIST WITH AGRICULTURAL COOPERATION BETWEEN THE US AND EGYPT.

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5. COMMENT: EGYPTIAN MINISTRY OF AGRICULTURE WENT OUT OF ITS WAY TO ASSURE THAT SECRETARY BUTZ' VISIT WENT SMOOTHLY AND THAT HE HAD A USEFUL AND COMPLETE PICTURE OF EGYPTIAN AGRICULTURE. SECRETARY BUTZ' INTEREST IN EGYPTIAN AGRICULTURE WAS RECEIVED WARMLY BY ALL CONCERNED AND IS VIEWED HERE AS A POSITIVE INDICATION OF OUR INTENTION TO PURSUE COOPERATION IN THE FIELD OF AGRICULTURE. MINISTRY OFFICIALS ARE

EAGERLY LOOKING FORWARD TO THE ARRIVAL OF THE HYDROLOGY SURVEY TEAM ON NOVEMBER 13.

6. FYI: WE UNDERSTAND FROM QUINTON WEST THAT HE ALSO DISCUSSED WITH UNDERSEC SALAH TEWFIK THE GENERAL AGRICULTURAL SURVEY TEAM WHICH IS TO COME OUT SOME TIME AFTER THE FIRST OF THE YEAR. END FYI.
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